GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1781
ANSWERED ON:12.12.2003
ASSETS RECONSTRUCTION COMPANY
BASUDEB ACHARIA

Will the Minister of FINANCE be pleased to state:

(a) whether the Assets Reconstruction Company is floating issue for securitization fund for dealing with non performing assets ;

(b) if so, the details of companies for which the fund to be used;

(c) whether ARCIL is also intending to target a securitization fund of Rs. 20 billion;

(d) if so, the details thereof; and

(e) the NPA of banks and financial institutions so far acquired after implementation of Securitization Act, 2002 ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a) & (b) :- Reserve Bank of India (RBI) have reportedthat they have granted registration to Asset Reconstruction Company (India) Limited (ARCIL), having its RegisteredOffice in Mumbai and Asset Care Enterprise Limited, having its Registered office inNew Delhi.

A securitisation company or reconstruction company can for the purpose of acquisition of financial assets raise funds from qualified institutional buyers (mainly banks and financial institutions) by issue of security receipts representing undivided interest by the holder in such financial assets.

(c) to (e) :- ARCs have yet to commence their operations.